

# Globaltrans Investment PLC

Russia's Leading Private  
Freight Rail Group



Acquisition of LLC Metalloinvesttrans

27 April 2012

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## Presentation of information

All financial information concerning the Company and the Group presented in this presentation is derived from the consolidated financial statements of the Company and prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the requirements of Cyprus Companies Law, Cap. 113 ("EU IFRS"). The Group's consolidated financial statements for the year ended 31 December 2011 along with the selection of historical operational and financial information are available at Globaltrans' corporate website ([www.globaltrans.com](http://www.globaltrans.com)). The consolidated financial statements are presented in US dollars, which the Group's management believes to be the most useful for readers of the financial statements. The Functional Currency of the Company, its Cyprus and Russian subsidiaries is the Russian rouble. The Estonian and Finnish subsidiaries have the Euro as their Functional Currency. The Ukrainian subsidiary of the Company has the Ukrainian hryvnia as its Functional Currency.

This presentation also contains certain operational and financial information concerning LLC Metalloinvesttrans ("MIT"), obtained by the Group in connection with a limited due diligence process carried out prior to the acquisition of MIT. Accordingly, the Group has had only a limited opportunity to collect and review this information, and has not been able to confirm its completeness, accuracy or fairness. The financial information in this presentation concerning MIT is based on the financial statements of MIT prepared in accordance with IFRS and presented in Russian roubles. Financial information for MIT shown in US dollars in this presentation has been converted from Russian roubles at the exchange rates set out elsewhere herein, unless otherwise stated.

In this presentation the Group and MIT have each used certain non-GAAP financial information (not recognised by EU IFRS or IFRS) as supplemental measures of the Group's or MIT's operating performance, as the case may be. Certain capitalised terms used in this presentation have the meaning given to them on pages 16-19.

Rounding adjustments have been made in calculating some of the financial and operational information included in this presentation. As the result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Market share data has been calculated using the Group's own information as the numerator and information published by the Federal State Statistics Service of the Russian Federation "Rosstat" as the denominator. The Group's market share is calculated as a percentage of the overall Russian freight rail transportation volume or as a percentage of overall Russian freight rail transportation volume of relevant cargoes.

The Group has obtained certain statistical, market and other information that is presented in this presentation on such topics as the Russian freight rail transportation market, the Russian economy in general and related subjects from services including the following third-party sources: Rosstat, the Central Bank of Russia ("CBR") and OJSC Russian Railways ("RZD"). The Group has accurately reproduced such information and, as far as it is aware and is able to ascertain from information published by such third party sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Group has not independently verified this third-party information. In addition, the official data published by Russian governmental agencies may be substantially less complete or researched than that of more developed countries.

## Unaudited Pro-Forma Financial Information

This presentation contains unaudited pro-forma financial information ("Unaudited Pro-Forma Financial Information") in respect of MIT and the Group, which is provided for illustrative purposes only and does not purport to represent what the actual results of operations or the financial position of the Group would have been had the acquisition of MIT described herein occurred at a relevant date in the past, nor is it necessarily indicative of the operating results or financial position of the Group for any future periods. The actual consolidated financial position and results of operations of the Group may differ significantly from the pro-forma amounts reflected herein because of various factors. The adjustments made in order to present the Unaudited Pro Forma Financial Information have been made based on available information and assumptions that management believes are reasonable.

The Unaudited Pro Forma Financial Information has been based on the consolidated financial statements of Globaltrans for the year ended 31 December 2011 and adjusted for the MIT financial statements for the year ended 31 December 2011 and other applicable adjustments. The Unaudited Pro Forma Financial Information has been prepared using consistent accounting policies which are described in detail in the consolidated financial statements for Globaltrans, available at [www.globaltrans.com](http://www.globaltrans.com). The MIT financial statements are included in the Unaudited Pro Forma Financial Information using IFRS carrying amounts as at and for the year ended 31 December 2011 and using consistent accounting policies, as though the acquisition of MIT occurred on 1 January 2011. The excess of the cost of acquisition over the carrying amount of identifiable net assets of MIT is recorded in Intangible assets within Non-current assets.

# Globaltrans acquires 100% of the participation interest in LLC Metalloinvesttrans from Metalloinvest

## TRANSACTION BACKGROUND

- Metalloinvesttrans ('MIT') is a captive rail freight operator of Metalloinvest, #1 iron ore producer in Russia and #5 globally<sup>1</sup>
- Metalloinvest is an existing Top-5 Globaltrans' customer<sup>2</sup>; large clients are increasingly seeking to outsource their rail transportation to one core big independent player ("one window approach")
- MIT is a high quality asset:
  - Efficient and profitable operations
  - Provides one window railway logistics solution for servicing 100% of Metalloinvest cargo flows (either itself or via Engaged Fleet)
- Globaltrans will have:
  - c. 7% market share in the overall Russian cargo volumes<sup>3</sup> and c. 8% of all-Russian gondola fleet<sup>4</sup> post acquisition
  - Access to Metalloinvest cargo base serviced by Globaltrans' operated and engaged fleet post acquisition
- Accretive transaction for Globaltrans:
  - Pro-forma EPS<sup>5</sup> of USD 2.09 per share in 2011 (+24% vs. Globaltrans)
  - Pro-forma Adjusted EBITDA of USD 645 mln in 2011 (+28% vs. Globaltrans)

## KEY TERMS OF THE TRANSACTION

<b>Consideration</b>	<ul style="list-style-type: none"> <li>▪ Cash consideration of USD 540 mln on debt / cash free basis<sup>6</sup></li> <li>▪ Deutsche Bank provided Fairness Opinion</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>▪ Cash on balance sheet and secured term loan financing facility</li> <li>▪ Leverage within comfortable range post transaction</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>▪ Expected by the end of May 2012, subject to FAS approval</li> </ul>
<b>Service contract</b>	<ul style="list-style-type: none"> <li>▪ 3-year service contract for servicing Metalloinvest rail logistics</li> </ul>

## KEY MIT METRICS (2011)

Metric	Unit	Value	% of Globaltrans
Freight Rail Turnover	bln tonnes-km	34.4	31%
Total Fleet	units	9,202	19%
Owned Fleet	units	8,256	21%
Adjusted Revenue	USD mln	344	29%
Adjusted EBITDA	USD mln	140	28%
Adjusted EBITDA margin	%	41% <sup>7</sup>	n/a

Source: Company data, Rosstat, CBR, Metalloinvest data

Note: Definitions for certain capitalised terms used in this presentation are provided on p. 16-19; MIT's RUB-denominated financial information is converted using FX rates set out on p. 12-14.

(1) Based on 2010 statistics.

(2) By Net Revenue from Operation of Rolling Stock in 2011.

(3) Based on 2011 cargo volumes transported by rail in Russia.

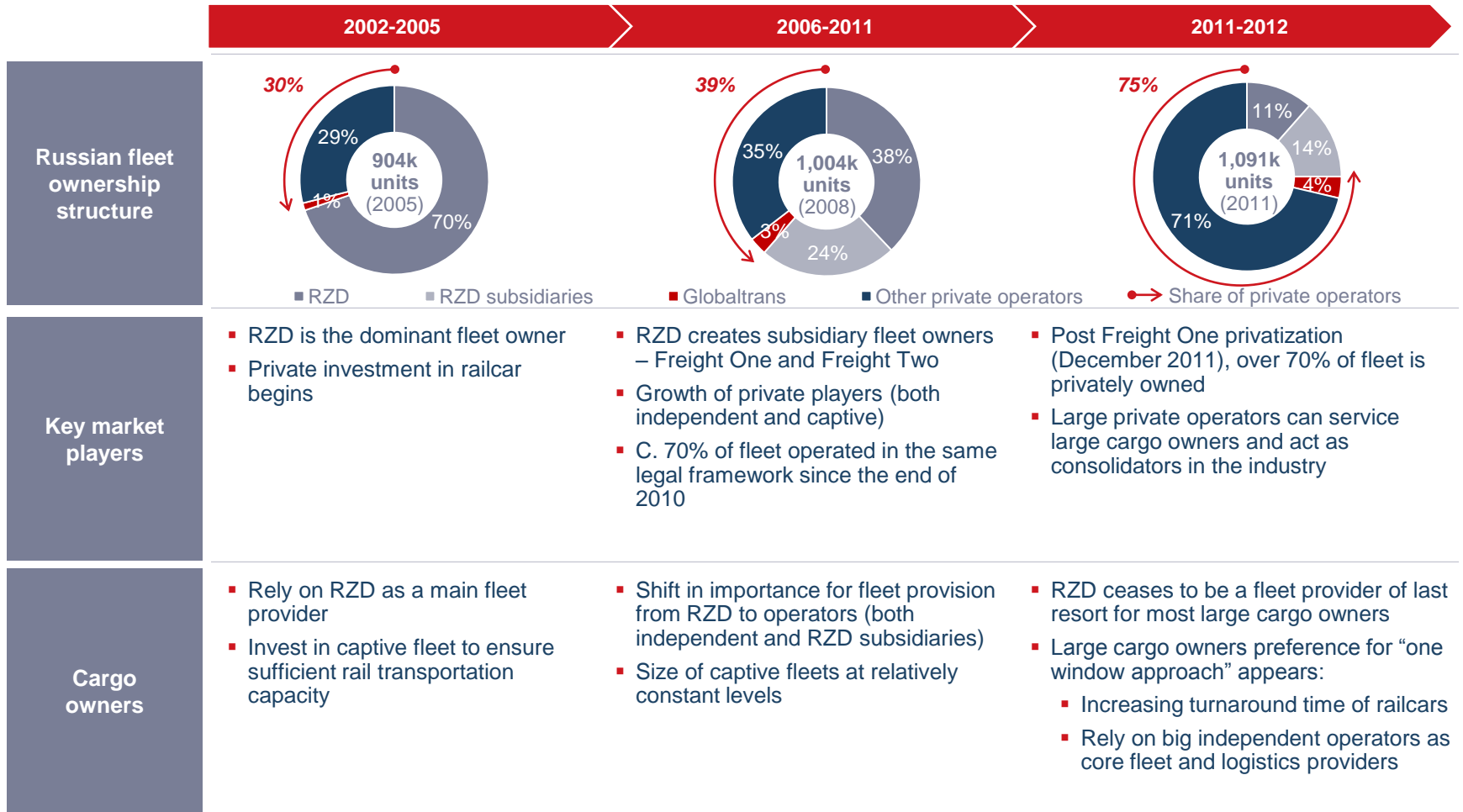
(4) Calculated as number of gondola cars in Total Fleet of both Globaltrans and MIT as at 31 December 2011 divided by Russian gondola fleet of 460,000 units as at October 2011, according to the statement of Valentin Gapanovich, Senior Vice-President of RZD, published in "Metal Supply and Sales", #2, 2012.

(5) Calculated as pro-forma "Profit for the year" less Globaltrans' "Profit for the year attributable to non-controlling interests" divided by Globaltrans' "Weighted average number of ordinary shares in issue".

(6) Assuming normalized working capital (to be determined prior the closing) and no capital commitments.

(7) Adjusted EBITDA margin for MIT Operated Fleet was 54%.

# Continued freight rail market evolution



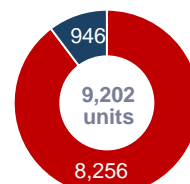
Source: Company data, RZD data

# Metalloinvesttrans is a high quality asset

## Sizeable and relatively young fleet

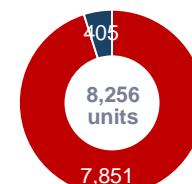
- 8,256 railcars owned
- Average age of the Owned Fleet is c. 8.7 years
- Gondolas represent 95% of the Owned Fleet

Total Fleet (2011)



Owned Fleet Leased-in Fleet

Owned Fleet (2011)

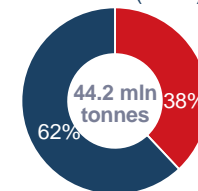


Gondola Other

## Services rail logistics of Metalloinvest

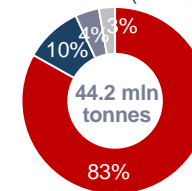
- Metalloinvest is a leading iron ore and steel producer with a 16% share in the overall metallurgical cargo volumes transported by rail in Russia in 2011
- Metalloinvest transportation volumes are currently being serviced by:
  - MIT Operated Fleet
  - 3<sup>rd</sup> party Engaged Fleet by MIT, incl. Globaltrans

Metalloinvest transportation volumes<sup>1</sup> (2011)



Served by MIT Operated Fleet Served by 3<sup>rd</sup> party Engaged Fleet by MIT<sup>3</sup> Metallurgical cargoes Coal Construction materials Other

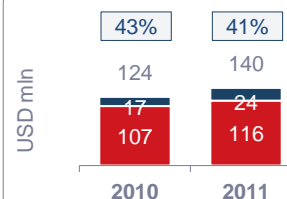
MIT Transportation Volume<sup>2</sup> (2011)



## Strong financial performance

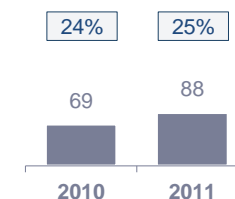
- Relatively high Adjusted EBITDA margin of 41% and Adjusted Profit for the year margin of 25% in 2011
- Adjusted EBITDA y-o-y growth of 13% and Adjusted Profit for the year y-o-y growth of 28% in 2011

Adjusted EBITDA



Attributable to MIT Operated Fleet Attributable to 3<sup>rd</sup> party Engaged Fleet by MIT<sup>3</sup>

Adjusted Profit for the year



Margin

Source: Company data, Rosstat, CBR, Metalloinvest data

Note: Definitions for certain capitalised terms used in this presentation are provided on p. 16-19; MIT's RUB-denominated financial information is converted using FX rates set out on p. 12-14.

- Volumes transported by rail only.
- Including volumes transported by Engaged Fleet.
- Including Globaltrans.

# Service contract with Metalloinvest provides for extra benefits to Globaltrans

## SERVICE CONTRACT EXPLAINED

<b>Concept</b>	<p>Metalloinvest transportation volumes</p> <p>Service contract</p> <p>Globaltrans</p> <p>MIT</p> <p>3<sup>rd</sup> parties<sup>1</sup></p> <p>c. 38% of volumes<sup>2</sup></p> <p>c. 62% of volumes<sup>2</sup></p>
<b>Term</b>	<ul style="list-style-type: none"> <li>3 years starting from the date of the transaction completion, substantially the same terms as under Metalloinvest ownership</li> </ul>
<b>Cargo volumes</b>	<ul style="list-style-type: none"> <li>Year 1: 100% of all Metalloinvest rail transportation volumes</li> <li>Year 2 and Year 3: 60% of all Metalloinvest rail transportation volumes (Note: in 2011, c. 62% of Metalloinvest cargo volumes<sup>2</sup> were serviced by Engaged Fleet)</li> </ul>
<b>Price</b>	<ul style="list-style-type: none"> <li>Year 1: fixed prices</li> <li>Year 2 and Year 3: price setting based on a 'right of first refusal' principle</li> </ul>

Source: Company data

## KEY HIGHLIGHTS

- ✓ **Opportunities for low risk growth; increased resilience**
  - Provides Globaltrans access to Metalloinvest cargo volumes at market rates
  - Opportunity to increase or decrease size of Globaltrans' fleet servicing these volumes (by changing size of engaged fleet)
- ✓ **Potentially a trend-setting contract**
  - Post privatization of Freight One, RZD has access to a relatively limited number of railcars and therefore cannot serve as a railcar provider of last resort
  - Large cargo owners need to rely on private operators
  - Opportunity for similar transactions with other large cargo owners

(1) Engaged by Globaltrans / MIT.

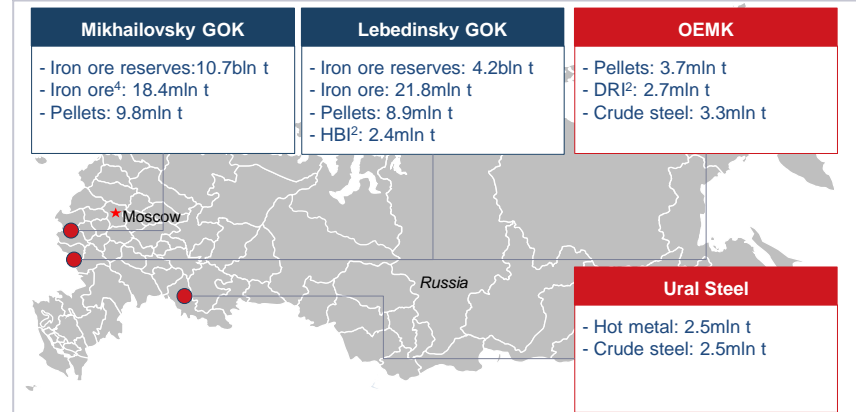
(2) Based on Metalloinvest volumes transported by rail only in 2011.

# Metalloinvest at a glance

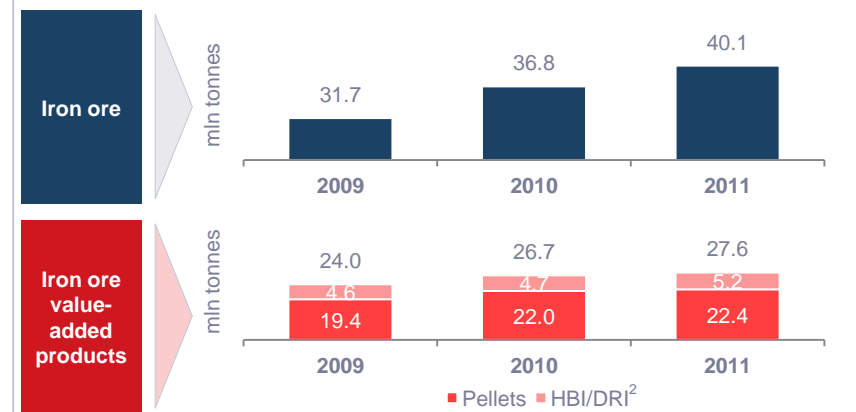
## KEY HIGHLIGHTS

- #1 iron ore producer in Russia and #5 globally<sup>1</sup>
- Produced c. 40.1 mln tonnes of iron ore in 2011
- Second largest iron ore reserves of 14.9 bln tonnes globally
- Produced 5.8 mln tonnes of crude steel accounting for 8% of total Russian steel output in 2011
- Leading supplier of high value-added iron ore products<sup>1</sup>:
  - Global HBI<sup>2</sup> market share – 36%
- Key assets are located in the European part of Russia
- Accounted for a 16% share in the overall metallurgical cargo volumes transported by rail in Russia in 2011
- Key H1 2011 financials:
  - Revenue = USD 5.1 bln
  - EBITDA = USD 2.0 bln

## GEOGRAPHY OF KEY ASSETS<sup>3</sup>



## OPERATING PERFORMANCE



Source: Metalloinvest data, Company data, The World Steel Association, CRU, Rosstat

- (1) Based on 2010 statistics.
- (2) 'HBI' refers to hot briquetted iron, 'DRI' – to direct reduced iron.
- (3) Figures in boxes refer to 2011 production metrics.
- (4) Including sintering ore.

# Globaltrans post acquisition

## Increased scale

- Total Fleet of around 60,000 units by mid-2012
- Pro-forma Adjusted Revenue of USD 1,488 mln in 2011 (+26% vs. Globaltrans)
- Pro-forma Adjusted EBITDA of USD 645 mln in 2011 (+28% vs. Globaltrans)
- Pro-forma EPS<sup>1</sup> of USD 2.09 per share in 2011 (+24% vs. Globaltrans)

## Strengthened market positions

- c. 7% market share in the overall Russian cargo volumes<sup>2</sup>
- c. 8% of all-Russian gondola fleet<sup>3</sup>

## Access to MIT cargo base

- MIT serviced 100% of Metalloinvest cargo flows in 2011 which accounted for c. 16% share in the overall metallurgical cargo volumes transported by rail in Russia
- Large share of this cargo base was serviced by the Engaged Fleet from 3<sup>rd</sup> parties, providing for low risk growth / increased resilience

## Healthy balance sheet

- Leverage remains within comfortable range
- c. 10,000 railcars purchased recently will contribute to Globaltrans 2012 financial results

Source: Company data, Rosstat, CBR, Metalloinvest data

Note: Definitions for certain capitalised terms used in this presentation are provided on p. 16-19; MIT's RUB-denominated financial information is converted using FX rates set out on p. 12-14.

(1) Calculated as pro-forma "Profit for the year" less Globaltrans' "Profit for the year attributable to non-controlling interests" divided by Globaltrans' "Weighted average number of ordinary shares in issue".

(2) Based on 2011 cargo volumes transported by rail in Russia.

(3) Calculated as number of gondola cars in Total Fleet of both Globaltrans and MIT as at 31 December 2011 divided by Russian gondola fleet of 460,000 units as at October 2011, according to the statement of Valentin Gapanovich, Senior Vice-President of RZD, published in "Metal Supply and Sales", #2, 2012.





# APPENDICES

# Metalloinvesttrans' key metrics (2011)



Metric in 2011	Unit	MIT Operated Fleet		3 <sup>rd</sup> party Engaged Fleet <sup>1</sup>		Total MIT
<b>Adjusted Revenue</b>	<b>USD mln</b>	<b>216</b>	<b>+</b>	<b>128</b>	<b>=</b>	<b>344</b>
<b>Total Operating Cash Costs, including</b>	<b>USD mln</b>	<b>100</b>	<b>+</b>	<b>104</b>	<b>=</b>	<b>205</b>
Other tariffs and Services provided by other transportation organisations	USD mln	0	+	104	=	104
Empty Run Costs	USD mln	45	+	0	=	45
Operating lease rentals – rolling stock	USD mln	27	+	0	=	27
Repair and maintenance	USD mln	13	+	0	=	13
Employee benefit expense <sup>3</sup>	USD mln	10	+	0	=	10
Operating lease rentals – office	USD mln	2	+	0	=	2
Other operating cash costs	USD mln	4	+	0	=	4
<b>Adjusted EBITDA</b>	<b>USD mln</b>	<b>116</b>	<b>+</b>	<b>24</b>	<b>=</b>	<b>140</b>
<b>Adjusted EBITDA margin</b>	<b>%</b>	<b>54%</b>		<b>19%</b>		<b>41%</b>

Source: Company data, CBR

Note: Definitions for certain capitalised terms used in this presentation are provided on p. 16-19; MIT's RUB-denominated financial information is converted using FX rates set out on p. 12-14.

(1) Based on Metalloinvest volumes transported by rail only in 2011.

(2) Including Globaltrans.

(3) Including Management fees paid to Management Company.

# Key pro-forma<sup>1</sup> metrics (2011)

	Metric	Unit	Globaltrans	MIT	Eliminations	Pro-forma <sup>1</sup>	Change vs. Globaltrans standalone
Financial information	Adjusted Revenue	USD mln	1,177	344 <sup>2</sup>	(33)	1,488	+26%
	Adjusted EBITDA	USD mln	505	140 <sup>3</sup>	0	645	+28%
	<i>Adjusted EBITDA margin</i>	%	43%	41% <sup>4</sup>	n/a	43%	n/a
	Operating Profit	USD mln	432	122	0	554	+28%
	Profit for the year	USD mln	317	88 <sup>5</sup>	(23)	382	+20%
	Total Assets <sup>6</sup>	USD mln	1,468	329	310	2,107	+44%
	Net Debt <sup>6</sup>	USD mln	258	42 <sup>7</sup>	540 <sup>8</sup>	840	+225%
Operational information	Freight Rail Turnover	bln tonnes-km	110.6	34.4	0	145.0	+31%
	Transportation Volume	mln tonnes	69.6	16.8	0	86.4	+24%
	Average Rolling Stock Operated	units	42,363	9,399	0	51,762	+22%
	Total Fleet <sup>6</sup>	units	47,580	9,202	0	56,782	+19%
	Owned Fleet <sup>6</sup>	units	39,910	8,256	0	48,166	+21%
	Total Empty Run Ratio	%	62%	34%	n/a	56%	n/a

Source: Company data, CBR

Note: Definitions for certain capitalised terms used in this presentation are provided on p. 16-19; MIT's RUB-denominated financial information is converted using FX rates set out on p. 12-14.

- (1) See also "Unaudited Pro-Forma Financial Information" on p. 2.
- (2) Including Adjusted Revenue of USD 216 mln attributable to MIT Operated Fleet.
- (3) Including Adjusted EBITDA of USD 116 mln attributable to MIT Operated Fleet.
- (4) Adjusted EBITDA margin for MIT Operated Fleet was 54%.
- (5) MIT's Adjusted Profit for the year.
- (6) As at 31 December 2011.
- (7) Expected to be zero at completion.
- (8) Transaction consideration.

# Extracts from Metalloinvesttrans financial statements for the year ended 31 December 2011

## Income statement for the year ended 31 December 2011

	2011 USD'000	2010 USD'000
Revenue	583,896	650,813
Cost of sales	(442,364)	(537,619)
<b>Gross profit</b>	<b>141,532</b>	<b>113,194</b>
General and administrative expenses	(11,127)	(6,568)
Other operating expenses	(8,111)	(172)
<b>Operating profit</b>	<b>122,295</b>	<b>106,454</b>
Finance income	7,523	5,629
Finance costs <sup>1</sup>	(210,722)	(25,909)
<b>(Loss) / profit before income tax</b>	<b>(80,904)</b>	<b>86,175</b>
Income tax charge	(22,191)	(17,534)
<b>Change in net assets attributable to participants</b>	<b>(103,094)</b>	<b>68,641</b>
<b>Adjusted Profit for the year<sup>2</sup></b>	<b>87,767</b>	<b>68,641</b>

Source: Company data, CBR

Note: RUB-denominated Income statement are converted into USD at FX rates of RUB 30.3765 : USD 1 and RUB 29.3948 : USD 1 in 2010 and 2011, respectively.

(1) "Finance costs" contain "Distribution to participants" item (see Cash flow statement) in amount of USD 191 mln.

(2) MIT's "Adjusted Profit for the year" in 2011 is calculated as "Change in net assets attributable to participants" excluding "Distribution to participants".

# Extracts from Metalloinvesttrans financial statements for the year ended 31 December 2011

## Balance sheet at 31 December 2011

	2011 USD'000	2010 USD'000
<b>ASSETS</b>		
<b>Non-current assets:</b>		
Property, plant and equipment	209,605	242,767
Loans advanced	-	131,247
Other non-current assets	298	763
<b>Total non-current assets</b>	<b>209,903</b>	<b>374,777</b>
<b>Current assets:</b>		
Inventories	730	669
Trade and other receivables	78,734	94,007
Current income tax prepayment	-	287
Cash and cash equivalents	35,046	2,618
Non-current assets held for sale	5,055	-
<b>Total current assets</b>	<b>119,564</b>	<b>97,581</b>
<b>TOTAL ASSETS</b>	<b>329,467</b>	<b>472,358</b>

## LIABILITIES

### Non-current liabilities:

Long-term borrowings	-	87,314
Finance lease liability	51,208	77,554
Deferred income tax liability	17,971	14,729
<b>Total non-current liabilities</b>	<b>69,179</b>	<b>179,598</b>

	2011 USD'000	2010 USD'000
<b>Current liabilities:</b>		
Short-term borrowings	-	10,570
Finance lease liability	25,355	29,934
Accounts payable	113,018	30,693
Income tax payable	6,020	-
Value added tax and other taxes payable	573	301
<b>Total current liabilities, excluding net assets attributable to participants</b>	<b>144,966</b>	<b>71,498</b>
<b>Net assets attributable to participants:</b>		
Cash contribution from participants	311	328
Cumulative surplus of net assets	115,012	220,934
<b>Total net assets attributable to participants</b>	<b>115,323</b>	<b>221,262</b>
<b>TOTAL LIABILITIES</b>	<b>329,467</b>	<b>472,358</b>

- At completion MIT is expected to:
  - Be on debt / cash free basis
  - Have a normalized working capital (to be determined prior the closing)

Source: Company data, CBR

Note: RUB-denominated Balance sheet items are converted into USD at FX rates of RUB 30.4769 : USD 1 and RUB 32.1961 : USD 1 in 2010 and 2011, respectively.

# Extracts from Metalloinvesttrans financial statements for the year ended 31 December 2011

## Cash flow statement for the year ended 31 December 2011

	2011 USD'000	2010 USD'000
<b>Cash flows from operating activities:</b>		
(Loss) / profit before income tax	<b>(80,904)</b>	86,175
Adjustments for:	-	-
Depreciation of property, plant and equipment	<b>17,581</b>	16,909
Finance costs (net)	<b>203,198</b>	20,279
Foreign exchange (gain)/loss	<b>(529)</b>	289
Other	<b>(79)</b>	105
<b>Operating cash flow before changes in working capital</b>	<b>139,267</b>	123,758
Inventories	<b>(106)</b>	4
Trade and other receivables	<b>9,501</b>	(4,845)
Trade and other payables	<b>93,716</b>	15,830
<b>Cash generated from operations</b>	<b>242,378</b>	134,747
Interest paid	<b>(20,011)</b>	(25,787)
Income tax paid	<b>(9,492)</b>	(12,803)
<b>Net cash from operating activities</b>	<b>212,875</b>	96,157

	2011 USD'000	2010 USD'000
<b>Cash flows from investing activities:</b>		
Loans advanced	-	(187,645)
Repayment of loans advanced	<b>136,078</b>	55,964
Interest income received	<b>8,199</b>	4,976
Purchases of property, plant and equipment	<b>(4,512)</b>	(5,145)
Proceeds from sale of property, plant and equipment	<b>3,503</b>	300
<b>Net cash from / (used in) investing activities</b>	<b>143,268</b>	(131,550)
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	-	164,601
Repayments of borrowings	<b>(101,488)</b>	(92,906)
Payment of finance lease liability	<b>(28,651)</b>	(39,680)
Distribution to participants	<b>(190,861)</b>	-
<b>Net cash (used in) / from financing activities</b>	<b>(321,000)</b>	32,015
Effect of exchange rate changes on cash and cash equivalents <sup>1</sup>	<b>(2,716)</b>	(341)
<b>Net increase / (decrease) in cash and cash equivalents<sup>2</sup></b>	<b>32,427</b>	(3,719)
<b>Cash and cash equivalents at the beginning of the year<sup>3</sup></b>	<b>2,618</b>	6,337
<b>Cash and cash equivalents at the end of the year</b>	<b>35,046</b>	2,618

Source: Company data, CBR

Note: RUB-denominated Cash flow statement items (except for certain footnoted items) are converted into USD at FX rates of RUB 30.3765 : USD 1 and RUB 29.3948 : USD 1 in 2010 and 2011, respectively.

(1) "Effect of exchange rate changes on cash and cash equivalents" is a balancing item which accounts for FX conversion effect.

(2) "Net increase / (decrease) in cash and cash equivalents" is calculated as "Cash and cash equivalents at the end of the year" less "Cash and cash equivalents at the beginning of the year".

(3) "Cash and cash equivalents at the beginning of the year" in 2010 is derived from the Balance sheet and converted into USD at FX rate of RUB 30.2442 : USD 1.

# Selected operational information – Metalloinvesttrans

## Rolling stock fleet

	As at 31 Dec 2011
<b>Owned Fleet</b>	
Gondola cars	7,851
Rail tank cars	61
Hopper cars	343
Flat cars	1
<b>Total</b>	<b>8,256</b>
<b>Rolling stock leased-in under operating leases</b>	
Gondola cars	946
Rail tank cars	0
Hopper cars	0
Flat cars	0
<b>Total</b>	<b>946</b>
<b>Total Fleet</b>	<b>9,202</b>
<b>Rolling stock leased-out under operating leases</b>	
Gondola cars	0
Rail tank cars	61
Hopper cars	231
Flat cars	1
<b>Total</b>	<b>293</b>
<b>Average age of Owned Fleet</b>	
Gondola cars	8.8
Rail tank cars	7.7
Hopper cars	6.1
Flat cars	16.6
<b>Total</b>	<b>8.7</b>

Source: Company data, CBR

## Operation of rolling stock

	2011
<b>Freight Rail Turnover, billion tonnes-km</b>	
<b>Metallurgical cargoes</b>	<b>21.3</b>
Ferrous metals	4.5
Scrap metal	0.01
Iron ore	16.8
<b>Construction materials</b>	<b>1.7</b>
Construction materials - crushed stone	1.6
Construction materials - other	0.05
<b>Coal (thermal and coking)</b>	<b>10.5</b>
<b>Other</b>	<b>0.9</b>
<b>Total</b>	<b>34.4</b>
<b>Transportation Volume, million tones</b>	
<b>Metallurgical cargoes</b>	<b>11.0</b>
Ferrous metals	2.5
Scrap metal	0.03
Iron ore	8.4
<b>Construction materials</b>	<b>1.5</b>
Construction materials - crushed stone	1.4
Construction materials - other	0.1
<b>Coal (thermal and coking)</b>	<b>3.7</b>
<b>Other</b>	<b>0.7</b>
<b>Total</b>	<b>16.8</b>
<b>Average Rolling Stock Operated</b>	<b>9,399</b>
<b>Average Number of Loaded Trips per Railcar</b>	<b>26.3</b>
<b>Average Distance of Loaded Trip, km</b>	<b>2,038.3</b>
<b>Average Price per Trip</b>	
Average Price per Trip in USD	859.2
Average Price per Trip in RUB	25,257
<b>Total Empty Run Ratio</b>	<b>34%</b>
<b>Empty Run Costs, USD million</b>	<b>45.0</b>
<b>Share of Empty Run Kilometres Paid by Metalloinvesttrans</b>	<b>100%</b>

## Engaged rolling stock

	2011
<b>Total Number of Loaded Trips of Engaged fleet, trip'000</b>	<b>401.3</b>

## Employees

	As at 31 Dec 2011
<b>Total Number of Employees</b>	<b>175</b>

# Definitions for Globaltrans non-GAAP financial measures (in alphabetical order)

**Adjusted EBITDA** (a non-GAAP financial measure) represents EBITDA for Globaltrans excluding “Net foreign exchange transaction losses on financing activities”, “Share of profit of associates”, “Other gains-net”, “Loss on sale of property, plant and equipment” and “Reversal of impairment charge for property, plant and equipment”.

**Adjusted EBITDA margin** (a non-GAAP financial measure) is calculated as Adjusted EBITDA divided by Adjusted Revenue.

**Adjusted Revenue** (a non-GAAP financial measure) is calculated as “Total revenue” less “Infrastructure and locomotive tariffs: loaded trips”.

**EBITDA** (a non-GAAP financial measure) is calculated as the sum of “Profit for the year”, “Income tax expense”, “Finance costs – net”, “Net foreign exchange transaction losses on financing activities”, “Amortisation of intangible assets” and “Depreciation of property, plant and equipment”.

**Net Debt** (a non-GAAP financial measure) is defined as the sum of total borrowings (including interest accrued) less “Cash and cash equivalents”.

**Net Revenue from Operation of Rolling Stock** (a non-GAAP financial measure) is defined as the sum of “revenue from railway transportation - operators services (tariff borne by the Group)” and “revenue from railway transportation - operators services (tariff borne by the client)” less “infrastructure and locomotive tariffs - loaded trips”.



# Definitions for MIT non-GAAP financial measures (in alphabetical order)

**Adjusted EBITDA** for MIT (a non-GAAP financial measure) represents EBITDA for MIT excluding “Foreign exchange gain/(loss) on operating activities, net”, “Gain/(loss) on disposal of property, plant and equipment”, “Social costs” and “Other (expenses)/income”.

**Adjusted EBITDA attributable to MIT Operated Fleet** (a non-GAAP financial measure) is defined as Adjusted Revenue attributable to MIT operated fleet less Total Operating Cash Costs attributable to MIT operated fleet (derived from management accounts).

**Adjusted EBITDA margin** (a non-GAAP financial measure) is calculated as Adjusted EBITDA divided by Adjusted Revenue.

**Adjusted EBITDA margin for MIT Operated Fleet** (a non-GAAP financial measure) is calculated as Adjusted EBITDA attributable to MIT operated fleet divided by Adjusted Revenue attributable to MIT operated fleet.

**Adjusted Profit for the year** for MIT (a non-GAAP financial measure) is calculated as “Change in net assets attributable to participants” excluding “Distribution to participants”

**Adjusted Profit for the year margin** for MIT (a non-GAAP financial measure) is calculated as Adjusted Profit for the year divided by Adjusted Revenue.

**Adjusted Revenue** for MIT (a non-GAAP financial measure) is calculated as “Revenue” less “Infrastructure and locomotive tariffs: loaded trips” (derived from management accounts) and “Infrastructure and locomotive tariffs: engaged fleet” (derived from management accounts).

**Adjusted Revenue attributable to MIT Operated Fleet** (a non-GAAP financial measure) is defined as “Revenue” less “Infrastructure and locomotive tariffs: loaded trips”, “Revenue from transportation services - engaged fleet” (derived from management accounts) and “Infrastructure and locomotive tariffs: engaged fleet” (derived from management accounts).

**EBITDA** for MIT (a non-GAAP financial measure) is calculated as the sum of “Change in Net Assets Attributable to Participants”, “Income tax charge”, “Finance income”, “Finance costs” and “Depreciation”.

**Net Debt** for MIT (a non-GAAP financial measure) is defined as the sum of total borrowings, total finance lease liability less “Cash and cash equivalents”.

**Net Revenue from Operation of Rolling Stock** for MIT (a non-GAAP financial measure) is defined as “Revenue from transportation services” less “Railway transportation – freight forwarding”, “Operating leasing of rolling stock”, “Infrastructure and locomotive tariffs: loaded trips” and “Infrastructure and locomotive tariffs: attracted fleet”.

**Total Operating Cash Costs** for MIT (a non-GAAP financial measure) include line items such as “Other tariffs and Services provided by other transportation organisations” (derived from management accounts), Empty Run Costs (derived from management accounts), “Operating lease rentals – rolling stock”, “Repair and maintenance”, “Employee benefit expense” (including Management fees paid to Management Company), “Operating lease rentals – office” and “Other operating cash costs”.

## Operational metrics (in alphabetical order)

**Average Distance of Loaded Trip** is calculated as the sum of distances of all loaded trips for a period divided by the number of loaded trips for the same period.

**Average Number of Loaded Trips per Railcar** is calculated as total number of loaded trips in the relevant period divided by Average Rolling Stock Operated.

**Average Price per Trip** is calculated as Net Revenue from Operation of Rolling Stock divided by total number of loaded trips during the relevant period in respective currency.

**Average Rolling Stock Operated** is calculated as the average weighted (by days) number of rolling stock available for operator services (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out).

**Engaged Fleet** for MIT is defined as Rolling stock attracted from third parties, as a rule for specific loaded trips.

**Empty Run or Empty Runs** means movement of railcars without cargo for the whole or a substantial part of the journey.

**Empty Run Costs** (a non-GAAP financial measure, meaning costs payable to OJSC Russian Railways for forwarding empty railcars) is derived from management accounts and presented as part of the “empty run trips, other tariffs and services provided by other transportation organisations” component of “cost of sales” reported under EU IFRS. Empty Run Costs do not include costs of relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation and rolling stock leased in or leased out.

**Empty Run Ratio** is calculated as the total of empty trips in kilometres by respective rolling stock type divided by total loaded trips in kilometres of such rolling stock type. Empty trips are only applicable to rolling stock operated (not including rolling stock in maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out).

**Freight Rail Turnover** is a measure of freight carriage activity over a particular period calculated as sum of tonnage of each loaded trip multiplied by the distance of each loaded trip, expressed in tonnes-km.

## Operational metrics (in alphabetical order, continued)

**Operated Fleet** for MIT is defined as Total Fleet excluding Engaged Fleet.

**Owned Fleet** is defined as rolling stock fleet owned and leased in under finance lease as of the end of period (it includes railcars and locomotives unless otherwise stated).

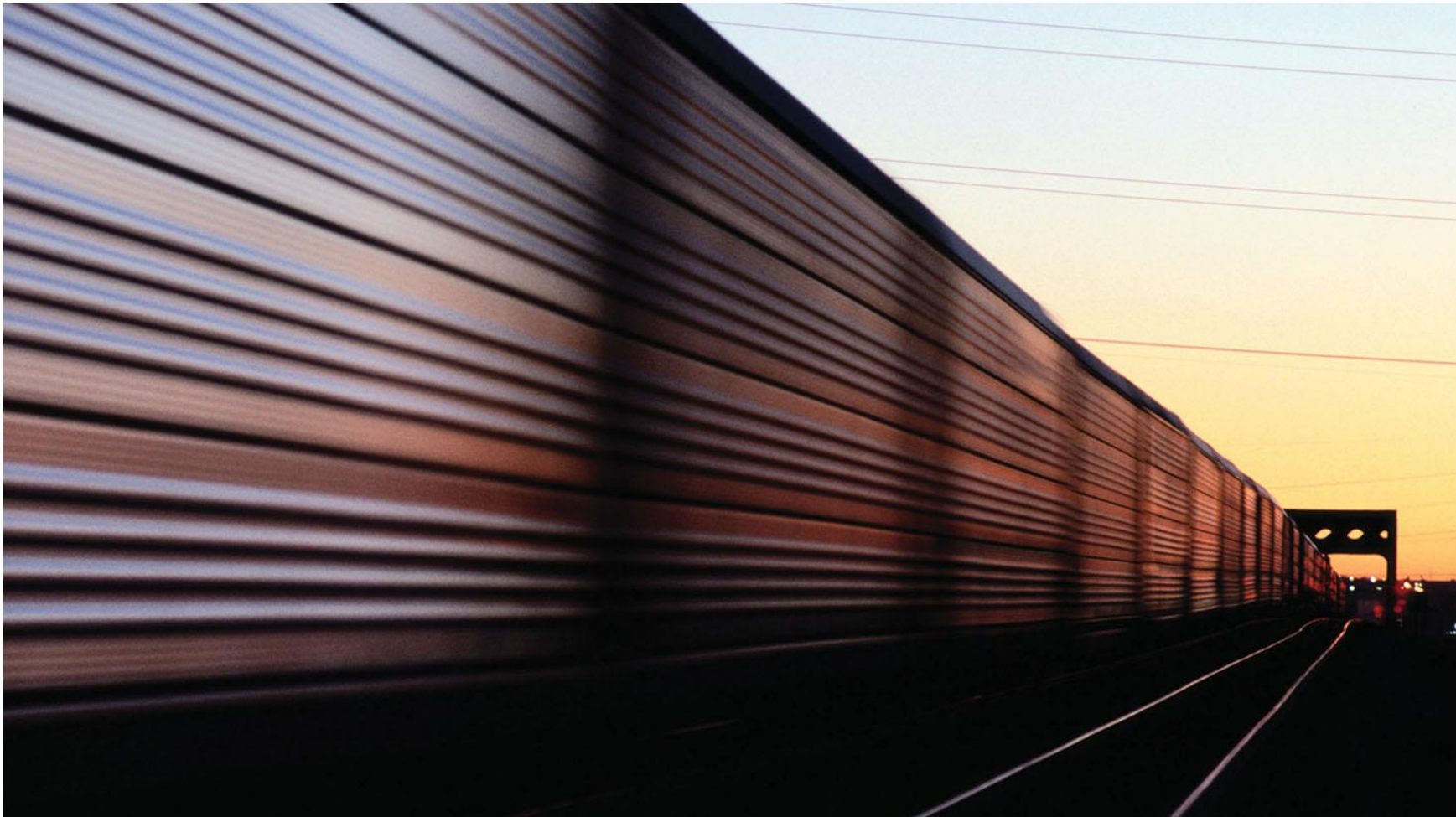
**Share of Empty Run Kilometres Paid by** is defined as the percentage of empty run kilometres paid divided by total amount of empty kilometres occurred by fleet operated (not including costs of relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out) in the relevant period.

**Total Empty Run Ratio** is calculated as total kilometres travelled empty divided by total kilometres travelled loaded by the fleet operated by Globaltrans / Metalloinvesttrans (not including relocation of rolling stock in and from maintenance, purchased rolling stock in transition to its first place of commercial utilisation or rolling stock leased out) in the relevant period.

**Total Fleet** is defined as the total rolling stock owned and leased in under finance and operating leases as of the end of period (it includes railcars and locomotives unless otherwise stated).

**Total Number of Loaded Trips of Engaged Fleet** of MIT is calculated as the sum of loaded trips, which made by Engaged Fleet of MIT.

**Transportation Volume** is a measure of freight carriage activity over a particular period measuring weight of cargo carried in million tonnes.



## INVESTOR RELATIONS

**Mikhail Perestyuk**

Phone: +357 25 503 153

E-mail: [irteam@globaltrans.com](mailto:irteam@globaltrans.com)

Web: [www.globaltrans.com](http://www.globaltrans.com)